

Remarks

This Amendment and Remarks is in response to the First Office Action mailed on October 28, 2003. Claims 1-19 are pending in this application and have been rejected.

Claims 1 - 19 are rejected under 35 U.S.C. §§ 102 and 103 as essentially being taught by US patents 4,566,211 ("Greene"), 5,442,162 ("Armel"), 5570,465 ("Tsakanikas"), 5,984,366 ("Priddy"), 6,106,020 ("Leef"), 6,170,744 ("Lee"), and 6,212,504 ("Hayosh").

Pursuant to 37 CFR § 1.104(c)(2), the pertinence of each reference used in a rejection must be clearly explained and each rejected claim specified. Applicant would appreciate a clearer basis as to the Examiner's rejections as the rejection stated in the Office Action is vague. Apparently, the Examiner has relied upon 35 U.S.C. § 102(b) and 35 U.S.C. § 103 (a). Accordingly, the applicant assumes that the Examiner has rejected the claims based upon a 35 U.S.C. § 102(b)/103(a) rejection, and responds accordingly.

Claim 1 is herein amended to incorporate the limitations of claim 2, which is herein canceled. Claims 11 and 13 have herein been amended to correct dependencies.

Applicant's invention is directed to a method of authenticating the payee information affixed to a negotiable instrument, the payee being the person to whom the check is issued to. Information about the payee is stored in a computer system, is recalled, and then affixed to a negotiable instrument. The information is later recalled when the negotiable instrument is presented for payment, and the recalled information is compared to the information affixed on the negotiable instrument.

In other words, when the negotiable instrument, such as a check, is presented for payment, the stored information is recalled to verify that the payee information previously affixed to the negotiable instrument has not been altered.

None of the references cited by the Examiner disclose or suggest, either above or in combination, recalling the payee's stored information when the negotiable instrument is presented for payment and then comparing that information with the affixed information to ensure it has not been altered, as required by claim 1 of the present application.

Leef discloses a method for preventing fraudulent use of a negotiable instrument by a person that is not the owner of the account from which a blank negotiable instrument is drawn. In other words, Leef addresses the problems associated with *issuing* a negotiable instrument by an individual (emphasis added). When a person represents himself to be the holder of the checking account, the person to whom the check is issued to can insist on a photo identification to determine if that person is the actual holder of the checking account (col. 1, lines 19-30). A checking account holder's face is photographed by a camera, stored in a computer, and printed on to personal checks or starter checks (col. 3, lines 33-45) to obviate the need for the holder to present photo identification. In other words, Leef prevents fraud by a purported holder of the account, not a payee.

The present invention claims a method of authenticating and verifying the payee, not the payor or holder issuing the negotiable instrument. The applicant respectfully asserts that the Examiner is misinterpreting the term "holder" as used in Leef. Again, Leef's holder is the person drawing the check, or the owner of the account. (col. 1, line 19, and col. 3, line 33). Leef's holder is not the payee of the negotiable instrument, as required in Claim 1 of the applicant's invention.

Leef also does not teach storing the payee's information in a computer, recalling and affixing the information on to a negotiable instrument, and recalling the information when the instrument is presented for payment for comparison to verify that the payee information has not

been altered. Accordingly, the applicant respectfully asserts that the present application is patentable over Leef, either alone or in combination with any of the cited references.

Armel teaches a method by which a party receiving a traveler's check can verify that the presenter of the traveler's check is the same person to whom the traveler's check was issued to. Armel discloses a bank storing (col. 4, lines 29-33) and recalling information about a customer or payee (col. 5, lines 37 - 40), affixing the information on to a blank traveler's check (col. 4, lines 47 - 50), and the customer presenting the traveler's check to a party (col. 4, line 4). Armel, however, fails to teach the step of recalling the stored information when the instrument is presented for payment and comparing it to the information affixed on the check.

On the contrary, Armel specifically teaches away from recalling the stored information when the instrument is presented for payment. A party receiving the traveler's check from the transferor (bank customer or payee) may readily compare the information of the customer affixed to the check, with the information of the presenter in deciding whether or not to accept the traveler's check (col. 4, lines 4-9). It does not teach or suggest recalling stored identification information because the party receiving the traveler's check in Armel has already confirmed that the bank customer is the proper holder of the traveler's check with human readable data.

Armel fails to disclose the limitations of the claimed invention, even when combined with the cited references. Accordingly, the applicant respectfully asserts that the present application is patentable over Armel, either alone or in combination with the cited references.

Lee teaches a method to authenticate a negotiable instrument. In other words, to determine if the negotiable instrument is a counterfeit or if any of the payment information has been altered. Information about a payee is recalled (col. 10, lines 57-63) and encrypted to produce a transport symbol. The transport symbol is then printed onto a negotiable instrument to

be issued (col. 12, lines 12-15). A party decrypts the transport symbol to verify the authenticity of the document (col. 12, lines 23-24).

Lee, however, fails to teach recalling the stored payee information when the negotiable instrument is presented for payment, and comparing the information with the information affixed on the negotiable instrument as required by Claim 1 of the present application. Lee prints several different items on to the negotiable instrument, including an encrypted transport symbol, human readable data, and magnetic readable data (col. 4, lines 35-38). The encrypted transport symbol can contain information about the payee. If a party wishes to read the transport symbol, the transport symbol must first be decrypted. This can be done with a public-private key a/k/a PKI. Once the symbol is decrypted, a checksum is computed and compared against the checksum valued stored as data. (col. 12, lines 65-67). The party can verify the information from the symbol with human readable data.

The present application is directed to storing payee information into a database, affixing the information to a negotiable instrument, and recalling the information when the negotiable instrument is presented for payment to compare it and verify that the information was not altered. Lee does not teach, either alone or in combination with the cited references, to recall the payee information at presentment and compare it to the information on the instrument to determine if it has been altered. In other words, Lee does not recall the information that is affixed to the negotiable instrument. Accordingly, the applicant respectfully asserts that the present application is patentable over Lee, either alone or in combination with the cited references.

Tsakanikas teaches a method of printing negotiable instruments. A payee's information is stored within a computer (col. 12, lines 14 - 15), and a user orders the printing of a negotiable instrument (col. 13, lines 6 - 7). A "bearer's" information is printed on to the negotiable

instrument (col. 16, lines 64-65). Tsakanikas, however, fails to teach affixing a payee's information on to the negotiable instrument.

It is clear that Tsakanikas's "bearer" is not a payee, the person to whom the negotiable instrument is issued to. Tsakanikas's "bearer" presents the negotiable instrument to a payee (col. 14, lines 4-6). Tsakanika's payee is the person or business the "bearer" issues the negotiable instrument to (col. 12, lines 6 - 24). If the value of the negotiable instrument is beyond the capabilities of the information printed on the negotiable instrument, then authenticity of the negotiable instrument will be verified with the "bearer" (col. 13, line 50 - col. 14, line 2).

Tsakanikas fails to teach, either alone or in combination with the cited references, recalling a payee's information and affixing the information on to a negotiable instrument. It further fails to teach recalling the payce's information when the negotiable instrument is presented for payment, as required by Claim 1 of the present application. Accordingly, the applicant respectfully asserts that the present application is patentable over Tsakanikas, either alone or in combination with the cited references.

Greene teaches a method of reading a negotiable instrument with a machine. A fluorescent ink is deposited on to areas of a non-completed, or blank negotiable instrument. (col. 6, lines 11-16). Variable written indicia is added on top of the fluorescent ink (col. 6, lines 22-23) to create a negotiable instrument. The negotiable instrument is presented for payment, and the negotiable instrument is then machine read.

Greene fails to teach, either alone or in combination with the cited references, any limitation of the claimed invention, such as storing information about a payee, recalling the information, affixing the information on to a negotiable instrument, recalling the stored information when the negotiable instrument, and comparing the information affixed on the

negotiable instrument with the stored information. Greene deposits a fluorescent ink on to a check. The fluorescent ink is utilized to aid in the recognition of words and numbers written on to the check after the check has been presented for payment, and not used for identification of the payee. Accordingly, the applicant respectfully asserts that the present application is patentable over Greene, either alone or in combination with the cited references.

Hayosh teaches a method of authenticating a negotiable instrument, or authenticating the issuer of a negotiable instrument. Information about a payee is recalled and printed on to a negotiable instrument (col. 11, lines 1-11, and 46). The negotiable instrument is presented for payment, and information can be transmitted to the drawee bank for remote verification of the authenticity of the negotiable instrument (col. 10, lines 30 to 36). Hayosh fails to teach recalling the stored information at the time the negotiable instrument is presented for payment and comparing it to the affixed information to determine if it has been altered. Accordingly, the applicant respectfully asserts that the present application is patentable over Hayosh, either alone or in combination with the cited references.

Priddy teaches fixing "recipient" specific data on to a commercial instrument (col. 2, lines 55 - 58) to authenticate the negotiable instrument. Priddy's "recipient" is not the payee of the negotiable instrument. Priddy identifies the problem with verifying the authenticity of a negotiable instrument (col. 1, line 25-27).

Information regarding Priddy's "recipient" is affixed to commercial instruments (including negotiable instruments), transaction cards, and personal identification documents (col. 2, lines 58 - 64). Priddy's "recipient" cannot be a payee because a transaction card does not contain payee information when it is issued, nor is a payee relevant to the issuance of personal identification documents. Priddy's "recipient" is the maker, or endorser of the negotiable

instrument. In other words, Priddy addresses the problems associated with verifying the authenticity of a negotiable instrument when issued by the maker. The applicant respectfully asserts that the Examiner is misinterpreting the term "recipient" used in Priddy.

Priddy clearly fails to teach, either alone or in combination with the cited references, storing identification of the payee of a negotiable instrument, recalling and affixing the information on to a negotiable instrument. Priddy fails to identify problems with authenticating negotiable instruments after the negotiable instrument is issued to a payee.

## **CONCLUSION**

For all of the foregoing reasons, it is submitted that, the claims as herein presented are allowable and, therefore, is in condition for allowance. Accordingly, allowance of the application is respectfully requested.

Respectfully Submitted,

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